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HANDBOOK ON LEVERAGING CSR CONTRIBUTION FOR SUPPORTING START-UPS/SOCIAL ENTERPRISES

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Background of GIZ

As a service provider with worldwide operations in the field of international cooperation for sustainable development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH ('GIZ') works together with its partners to develop effective solutions that offer people better prospects and sustainably improve their living conditions. GIZ is a public-benefit federal enterprise and supports the German Government as well as many public and private sector clients in a wide variety of areas, including economic development and employment, energy and the environment, and peace and security.

In India, GIZ works with its partners in the areas of energy, environment and natural resources, sustainable urban development and sustainable economic development. Together with Bosch and Intellecap, GIZ has started an initiative to promote collaboration between corporates, intermediaries (particularly incubators) and small and growing businesses (including start-ups and social enterprises).

With the growing focus of the Indian Government on promoting start-ups, the initiative intends to explore additional ways in which corporates could engage with start-ups and social enterprises. In this regard, GIZ would like to assess the feasibility of setting up a fund which receives contributions from corporates which will subsequently be invested by the fund in start-ups and social enterprises, directly or through intermediaries. Contributions received by the fund are not intended to be refunded to the corporates at any point of time.

GIZ therefore partnered with KPMG India to analyze whether contributions received by such a fund from various corporates would qualify under Corporate Social Responsibility ('CSR') regulations as laid down in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

About the handbook

Small businesses significantly contribute to the economic development of a country. From purchasing groceries on an app to enabling new modes of learning, small businesses, especially start-ups, are transforming India into a technology-driven nation[1].

The Hon'ble Prime Minister of India had stated[2]:

"I see start-ups, technology and innovation as exciting and effective instruments for India's transformation, and for creating jobs for our youth."

According to the Startup India Action Plan, 2016[3], one of the major challenges is the failure of most start-ups during the initial five years due to lack of either funds or management skills. Therefore, developing a conducive environment becomes crucial to support start-ups during their initial years of operations.

This handbook is an endeavour to provide insight on several models that could be explored to set up a fund to promote start-ups, contributions to which would qualify as CSR spend under the Section 135 of the Companies Act, 2013.

[1]Article: How important are small business to local economies | By: J. Mariah Brown| Link: http://smallbusiness.chron.com/important-small-businesses-local-economies-5251.html

[2]Press Information bureau, Government of India| Speech by Prime Minister Shri Narendra Modi at the start up event|27 September 2015

[3]Report: Startup India Action Plan | Department of Industrial Policy & Promotion, Government of India | January 16, 2016

CONTENTS

CONTENTS

1. Introduction

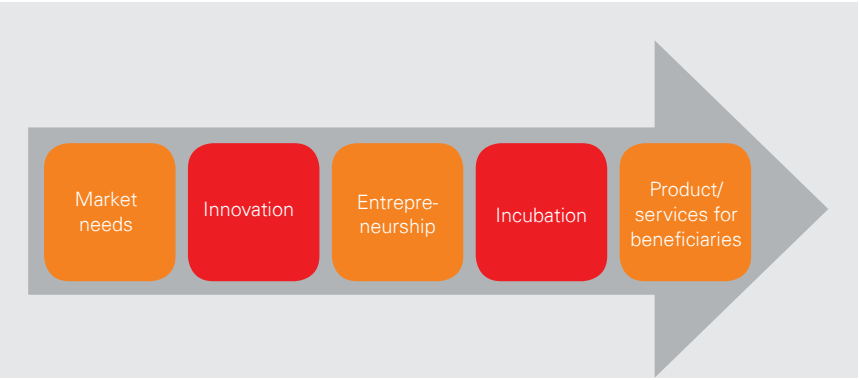
In this era of globalisation, start-ups are playing a major role to address the needs and challenges of a society. Recognising this fact, India desires to become a 'start-up nation' by leveraging the young and aspirational demographic profile of the country. As per recent reports, India ranks third in the global start-up ecosystem and has the fastest growing base of start-ups worldwide[4].

It is imperative to understand that start-ups need a conducive environment to grow. Worldwide, business incubators have been recognised as one of the successful ways to support start-ups and accelerate the development of young entrepreneurial companies. Incubators, thus, have become an integral part of value creation in the global economic landscape.

To recognise the role of incubators and to support innovation in the country, the Government of India (GoI), through the Ministry of Science and Technology, has been encouraging the setting up of Technology Business Incubators (TBIs). Recently, the government has introduced several provisions under the Companies Act, 2013, which enable corporates to contribute their Corporate Social Responsibility (CSR) funds to approved TBIs and registered not-for-profit entities that can act as start-up supporting entity in specific areas.

It is expected that CSR funds would help address funding concerns, which are restricting new technologies and innovations from scaling up as well as aid start-ups to create impact on the society.

Figure 1: Connecting innovation with incubation



[4] *NASSCOM, 2015*

Key takeaways:

- India is a hub for innovation and entrepreneurship. However, innovations and start-ups require handholding to reach the 'productising' stage
- A conducive environment can be created for the sustainable growth of entrepreneurship
- It is challenging for an innovation to sustain and scale up in isolation. A well-established support system could help nurture ideas and take them to the market
- Technology-based innovations are generally considered as high-risk as well as potentially high-growth; therefore, incubators are necessary to increase their prospects to succeed
- In India, CSR regulations allow corporates to build and strengthen the incubation ecosystem in the country.

CSR primer — legal mandate governing corporates in India

The CSR regulatory framework for corporates in India constitutes the following (collectively called as CSR regulations):

a. Section 135 of the Companies Act, 2013 ('the Act')

b. Companies (Corporate Social Responsibility) Rules, 2014

c. Schedule VII of the Act.

According to CSR regulations[5], every company satisfying any one of the below conditions in any of the preceding three financial years is required to undertake specific compliances outlined in Figure 2:

- Net worth of INR500 crore or more; or
- Turnover of INR1,000 crore or more; or
- Net profit of INR5 crore or more.

Further, corporates that meet any one of the above conditions are required to spend on permissible CSR activities at least 2 per cent of the average net profits made during the immediate three preceding financial years. The permissible CSR activities are mentioned in the Schedule VII of the Act.

[5]*Section 135 of the act*

Figure 2: Overview of the CSR regulations — requirements to be met by qualifying corporates

Contributions made by corporates to a fund, which has been created to promote start-ups/social enterprises, would qualify towards mandatory CSR spend under CSR regulations, only under the following scenarios:

- Contributions are provided to a TBI [located within an academic institution and approved by central government through the Department of Science and Technology (DST)]; or
- Contributions are provided to a not-for-profit entity registered under Section 8 of the Act [Section 8 Company] or registered as a society or trust (collectively called as 'Start-up Supporting Entity').

Accordingly, contribution by corporates to a pool of funds or a standalone fund would not qualify under the CSR regulations, unless the fund is set up as:

- a registered legal entity and approved by DST as a TBI; or
- a registered not-for-profit entity (either a Section 8 Company or a registered trust or a registered society) that can act as a Start-up Supporting Entity (SSE) to assist start-ups.

Once the fund is set up as a registered legal entity as per either of the above options, corporates can directly contribute to these entities, and such contributions shall qualify as 2 per cent spend under the CSR regulations. Both the above-mentioned options have been discussed in detail in the latter part of the handbook.

In case of a TBI, as per the CSR regulations, contributions are required to be made to a DST-approved TBI. There are no restrictions on the type of start-ups that can be supported by a TBI under the aforesaid regulations. Accordingly, a TBI can support either a specific type of start-up/social enterprise or all types of start-ups, depending upon their capabilities, expertise and resources available with the TBI. However, this would be different if contributions are made to a SSE. Here, the CSR regulations mandate that the SSE can support only specific types of start-ups within a certain area since the thematic area chosen by it has to be in line with the Schedule VII.

Further, the CSR regulations do not specify any minimum amount of contribution required to be received by TBI/SSE from corporates. Regulations only require qualifying corporates to spend a minimum of 2 per cent of their average net profits on eligible projects, and thereafter undertake required compliances. Accordingly, a corporate can spend the 2 percent as per its discretion — it can either contribute the full 2 per cent or part of this amount to a TBI or SSE. The remaining portion of 2 per cent profits can be spent on other traditional eligible projects on areas such as health, education and sanitation.

Additionally, there is no restriction under the CSR regulations on the number of corporates that can contribute to a TBI or SSE. Hence, a TBI or SSE can accept contributions from any number of corporates. However, every corporate is responsible for reporting its own contribution (refer reporting section for further details).

It is important to note that both TBI and SSE are required to be set up as registered legal entities to make them eligible for receiving CSR funds. Unregistered entities are not eligible to receive CSR funds. Accordingly, a pool of funds received from corporates would not enable corporates to meet requirements as laid in the CSR guidelines unless the recipient of funds is a legal entity. Possible forms of legal entities under both the options (TBI and SSE) have been discussed in detail in the subsequent sections.

2. What is an incubator

2.1 Introduction

Start-ups play a significant role in India's economic growth. It is estimated that the number of start-ups in India is expected to cross 11,500 by 2020[6]. Business incubation has been globally recognised as an important tool for economic development and job creation. With an increasing number of start-ups, incubators can act as sizeable contributors to innovation by providing an environment that can support successful formation and development of young companies. Besides necessary infrastructure, incubators also provide access to capital and markets, business services, as well as required guidance and mentorship to start-ups, which may otherwise be unavailable to these companies.

In India, technology business incubation efforts have grown over the last two decades. However, it is only over the last few years that the number of incubators in India has increased significantly. There are over 120 TBIs in India that are promoted by the DST, Ministry of Information and Communication Technology, and other private companies, institutions, banks and government departments[7].

Total TBIs (sponsored by): 131

- The Department of Science and Technology: 64
- The Ministry of Information and Communication Technology: 40
- Other government departments, banks and financial institutions: 30

Currently, the incubation landscape in India can be broadly classified into two models based on the motive of incubation, i.e., non-profit and profit-based. Non-profit incubators nurture objectives, such as supporting start-ups, nurturing innovative ideas and solutions, community development and job creation. Funding to non-profit incubators is usually provided through government grants, subsidies, donors, corporates, foundations etc. For-profit incubators can typically be divided into two categories — corporate incubators and standalone incubators[8].

Incubators are intended to assist start-ups in taking their ideas and business plans to the market place. A study of the start-up environment of the country reveals that a significant percentage of start-ups fail to succeed[9] in their initial phase. Therefore, the primary goal of an incubator is to nurture start-ups during their crucial nascent period.

Start-ups typically spend two years with an incubator[10]. During this period, start-ups get insights/advisory services from experts, and may receive office space and other basic infrastructure. This infrastructure could be in any form pertaining to operational requirements of start-ups, such as using research laboratories and technical support.

Villgro, the Centre for Innovation Incubation and Entrepreneurship (CIIE) and the Society for Innovation and Entrepreneurship (SINE) are some examples of incubators that are supporting start-ups/social enterprises in India and are receiving CSR funds from Mahindra & Mahindra Financial Services, SAP, Tata Motors and Bajaj Electricals, Castrol, etc[11].

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[6] *Incubators and Corporate Social Responsibility in India – What's happening? | August 2017*

[7] *Report released by Department of Science and Technology | Available at: http://www.nstedb.com/Developing-Eco.pdf | Chapter 1, pp. 10*

[8] *White paper on India & Corporate Incubation by IICA, May 2015*

[9] *Action Plan #startup india, January 2016*

[10] *Funding options for startups: A conceptual framework and practical guide | By K.S.V. Menon & Garima Malik | 2016*

[11] *http://villgro.org/incubation/*

Centre for Innovation Incubation and Entrepreneurship (CIIE)

Host institution: IIM Ahmedabad

CIIE (http://www.ciie.co/) is an autonomous not-for-profit entity of IIM Ahmedabad. It primarily focusses on early stage entrepreneurs working in clean-tech, energy, agri-business and water, and support them through sector-specific accelerator programmes, mentor them, provide funding (mainly equity), etc. CIIE generally takes about 5 per cent equity from start-ups, which may vary depending on the amount invested.

CIIE impact story:

CIIE helps entrepreneurs in developing affordable technology that can have impact in areas such as energy, healthcare, agriculture, and environment. CIIE operates in geographies and sectors where private support is not easily available and probability of market failure is high.

Impact, by numbers:

- Mentored 5,000 ideas
- Trained, incubated or accelerated 500 ventures
- Generated 1,500 jobs through incubated ventures
- Supported incubated ventures to raise INR14 for every rupee invested by CIIE
- Seed-funded 100 start-ups until June 2017

Social impact: Traditional cook stoves emit dangerous smoke (termed as Household Air Pollution), which is known to be one of the biggest health risks for rural women. This smoke carries 30 different chemicals responsible for killing 0.43 crore people annually (higher than malaria, tuberculosis and HIV combined). Greenway stoves burn all biomass fuels and help reduce smoke emission by 70 per cent. Its air regulatory technology helps to significantly reduce of noxious gases, such as Carbon Monoxide (CO) and Particulate Matter (PM).

Villgro Innovations Foundation (Villgro)

Host institution: IIT Madras

Villgro (http://villgro.org/) is a not-for-profit social enterprise incubator based in Chennai. It nurtures social enterprise projects and start-ups that are in their early stages and have a high potential to improve the lives of the poor in India. During 2015–16, Villgro offered INR25.6 million as seed funding and incubated 19 companies.

Villgro impact story:

Finding technologies and products that could help rural communities is one of the overarching challenges in India. Villgro supports start-ups to create benefits for the marginal communities who earn approximately INR120–250 a day. The biggest challenge for the Indian rural enterprise system is the lack of funding and incubation support. Villgro helps early stage start-ups by providing supportive infrastructure to address their needs. Villgro is helping entrepreneurs to develop essential products or services that are 'need-to-have' for the rural community in southern India to improve their quality of life.

Impact, by numbers:

- Raised investment of INR1,195 million till now
- Created 4,000 jobs through portfolio companies
- Provided seed funding of INR139 million till now
- Impacted 15 million lives.

Impact story — 1

Incubatee: BEMPU

Innovation: BEMPU has developed a low-cost temperature monitoring device for infants to detect hypothermia and infections. It alerts to take corrective measures on time. BEMPU has received financial support and guidance from Villgro.

Social impact: Infant mortality due to hypothermia is one of the major challenges in India (K Lunze, 2013; Indian Pediatrics, 2001; Singh, 1999). This challenge escalates due to relatively low education level of parents and limited number of nurses in the country. The device is helping mothers and caregivers to help them regularly monitor infant temperature, thereby preventing deaths due to hypothermia and illness.

Impact story — 2

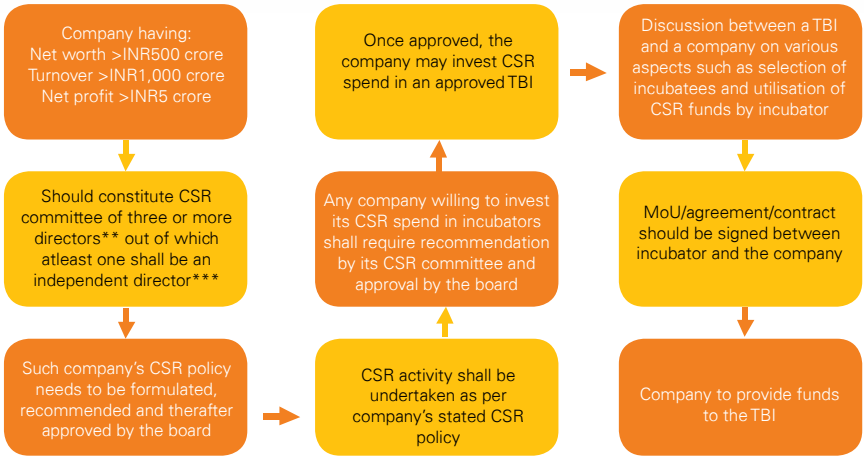
Incubatee: ecoZen

Innovation: ecoZen has developed a solar micro cold storage system to be used in agriculture-based and rural communities.

Social impact: Inadequate infrastructure for storage in India is one of the biggest challenges in meeting domestic demand of fruits and vegetables. Annually, significant quantities of fruits and vegetables get wasted due to insufficient cold storage. With the equity and grant funding from Villgro, ecoZen has developed a solar-based micro cold storage system to preserve fruits and vegetables. Additionally, ecoZen is now providing water pumping solutions for irrigation as well.

2.2 Process for engaging with an incubator — From a corporate's lens

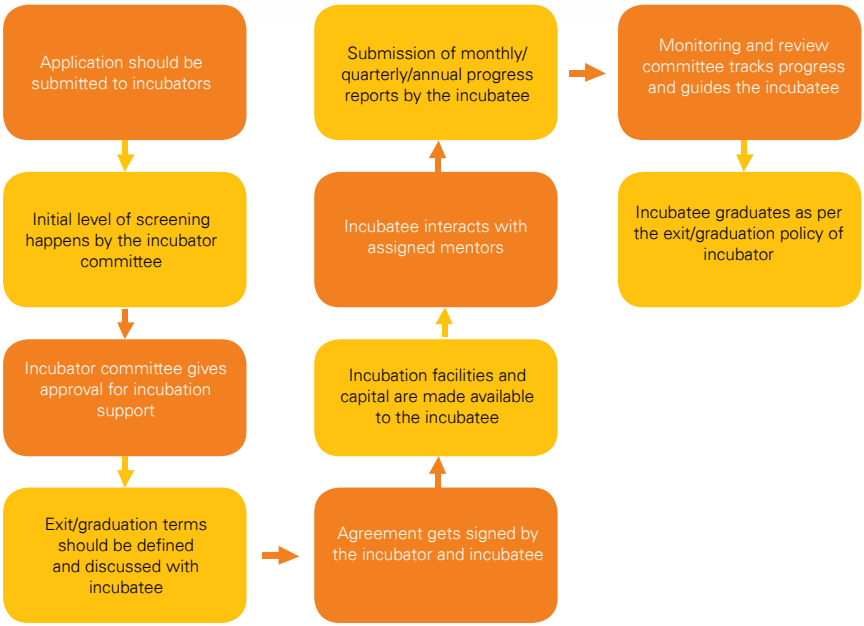
Figure 3: Process for engaging with an incubator - From a corporate's lens



** Amounts in INR*
*** A private company having only two directors on its board shall constitute its CSR Committee with two such directors*
****An unlisted public company or a private company covered under the Section 135(1) of the Act, which is not required to appoint an independent director pursuant to the Section 149(4) of the Act, shall have its CSR Committee without such directors*
 # The process would be similar in case of an implementation agency acting as an impact accelerator

2.3 Process for engaging with an incubator — From an incubatee's lens

Figure 4: Process for engaging with an incubator - form an incubatee's lens



Incubators may adopt different criteria for selecting their respective incubatees. A few examples of the selection process and incubation tenure adopted by various incubators are as follows:

Table 1: Selection process and incubation tenure adopted by various incubators

S. No.	Incubator	Selection criteria	Focus area	Services offered	Tenure of incubation
1	Villgro	Early-stage-for-profit business that can have an impact on the lives of the poor in India Product or service that are 'need-to-have' rather than 'nice-to-have'	Health, education, agriculture and energy	Seed fund, mentoring services, infrastructure support, etc.	Starting from 100 days, the tenure can extend to a few years
2	SINE	Start-up company, preferably technology-based and incorporated before its admission	Technology-based ventures with social and strategic bearings	Seed loan subject to the availability of funds/grants/schemes Legal services, human resources, accounting facilities, etc.	Support for 18 months to a maximum of three years
3	IITG — Technology Incubation Centre (IITG–TIC)	Companies need to be registered with the Registrar of Companies. It should be involved in innovative technology-based product, idea or services Potential of the idea for Intellectual Property creation	Technology-based product, idea or services	Soft loan funding Common infrastructure support	For a period of two years, which may be extended by one more year, if necessary

2.4 Existing incubators in India — Technology and social enterprises

Annex 1 contains a list of all incubators approved by the DST.

3. Model 1 — Setting up a Technology Business Incubator (TBI)

3.1 About the model

Under this option, proposed fund could be legally structured as a TBI, which shall be located within an academic institution and approved by the central government.

Model mechanics

TBIs in India can be set up either as a for-profit legal entity or a not-for-profit legal entity, depending upon the motive of incubation.

Since the objective of a TBI is to promote new technology/innovation-based start-ups and provide a platform for speedy commercialisation of developed technology, access to the following practices/components becomes pivotal for its success:[12]

- Institutional policy that promotes innovation, encourages entrepreneurial culture and facilitates venture creation
- Commitment on infrastructure/funding for incubator
- Interest and awareness on technology commercialisation and entrepreneurship within target region
- Partnerships with the private sector for mentoring and marketing
- Availability of venture funding through private and public sector institutions
- Networking platforms for entrepreneurs.

In case TBIs do not have either of the above components, they usually associate themselves or tie up with different academic/technical/R&D institutions and companies (called host institutes) who are engaged in promoting innovation and entrepreneurship, and have the necessary expertise and infrastructure in place. Additionally, TBIs may partner with other academic institutions/ organisations/individuals, depending on the requirements.

According to the CSR regulations[13], only a contribution which is made to a TBI located within an academic institution and approved by the central government[14] shall qualify towards mandatory CSR spend. This means that the contribution made to TBIs that are not located in academic institutions and are not approved by the central government (DST) shall not qualify as mandatory 2 per cent spend. Accordingly, in order to qualify the CSR regulations, a contribution needs to be made to a TBI which is:

- located within an academic institution; and
- approved by the central government i.e., the DST.

The DST has issued an exhaustive set of guidelines for issuing approval to a TBI[15]. The DST (representing the central government) approves a TBI if it is legally structured as a separate entity (independent of the host institute) in one of the following legal forms[16]:

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[12] *Report and guidelines released by Department of Science and Technology available at http://www.nstedb.com/institutional/Approved%20Revised_guidelines_of_TBI.pdf*

[13] *Schedule VII of the Companies Act, 2013*

[14] *The Department of Science and Technology*

[15] *http://www.nstedb.com/institutional/tbi.htm*

[16] *Guidelines and proforma for submission of proposals for TBI released by Ministry of Science and Technology, Government of India (TBI guidelines)*

- The Section 8 Company; or
- The society under the Societies Registration Act, 1860; or
- The public charitable trust

While it is not necessary that a TBI be housed in an academic/technical/R&D institution while seeking approval from the DST, it is advised to have partnership with at least one academic institute of repute or existing TBIs or a government body focussing on innovation and research to have necessary capabilities in place for achieving desired results. It is important to note that the DST grants approval only if a TBI is set up as a not-for-profit entity (in either of the above-mentioned legal forms). The DST does not support for-profit incubators.

The DST has specified preferred areas such as healthcare, agriculture, water and clean-tech where existing and new TBIs could focus[17]. TBIs would be free to conduct their own programmes depending upon the focus areas they opt for. These focus areas may be same or different from thematic areas specified under the Schedule VII of the Companies Act. Further, any change in the focus area opted for by a TBI would not change its legal structure, unless the incremental focus area is not in alignment with the overall objectives of the TBI laid down at the time of its incorporation/registration.

Simple contribution of funds provided by a corporate to a TBI would be counted as 2 per cent spend, which is eligible under the CSR regulations. The corporate would not be mandatorily required to conceptualise a CSR project and monitor the utilisation of the amount provided, which is required for most other CSR contributions under the Companies Act, 2013, although this is recommended as a best practice.

It is important to note that a standalone pool of funds cannot be structured as a sub-entity or attached as a programme to an existing TBI. The fund would need to be set up and registered as an independent TBI if the funds have to qualify under the CSR regulations. However, if corporates do not want to create a dedicated fund/TBI, they have an option to make individual contributions to an existing TBI eligible for CSR contribution.

3.2 Form of investments by TBI

TBI can make an investment in start-ups in the form of soft loans or equity investments; in return, it can receive income from such investments. For example, Rural Technology Business Incubator (RTBI) of IIT Madras makes investments in incubatees in the form of equity or loans, and receives interest on loans from such incubatees.[18] Additionally, CIIE also undertakes investments in incubatees in the form of both debt and equity.

[17] *www.nstedb.com/institutional/tbi.htm*

[18] *Annual report of IIT Madras' Rural Technology and Business Incubator (FY2012–13)*

What does CIIE do?

Currently, CIIE has already undertaken funding of companies in the form of grants, debt and equity. Some statistics about the investment activities at CIIE are as follows:

>INR10 crore	:	Spent as grant for ideas
>INR12 crore	:	Invested in over 80 incubated ventures in the form of debt and equity
>INR120 crore	:	Raised by incubated ventures supported by CIIE from external investors
INR5–2,500,000	:	Seed fund per incubated venture provided by CIIE in the form of equity or debt through government-sponsored seed-funds raised by CIIE

Source: CIIE, September 2014[19]

3.3 Reporting requirements for TBI

Both the CSR regulations and TBI guidelines, issued by the DST, do not specify any mandatory reporting framework/documentation to be followed by TBI; however, as a matter of prudence and good practice, a TBI can issue the following documents to corporates to enable them develop a monitoring and reporting framework for their CSR contribution:

- Progress reports
- Audited statement of accounts relating to the amount granted
- Utilisation certificate

3.4 Reporting requirements for corporates

Following reporting requirements have been mentioned under the CSR regulations for corporates making contributions to TBIs:[20]

- Disclose contents of the CSR policy in Board of Directors' report

The table below depicts some sample disclosures made by companies contributing to incubators:

[19] *CIIE | 22 September 2014 | http://www.irena.org/DocumentDownloads/events/2014/October/Centre%20for%20Innovation%20Incubation%20and%20Entrepreneurship%20(CIIE).pdf*

[20] *Section 134 and 135 of the Act and Rule 8 and 9 of the Companies (CSR) Rules, 2014*

Table 2: Sample disclosures made by companies contributing to incubators

S.No.	Organisation	Contents of the CSR policy showing companies' interest towards incubators	Source report | Year
1.	Pfizer India Limited	Encourage and support Indian innovation and Indian intellectual property with a focus on healthcare	Annual report | 2015–16
2.	Bajaj Electricals Limited	Priorities under community outreach programmes: • Contributions or funds provided to technology incubators located within academic institution, which are approved by the central government	Annual report | 2015–16
3.	Mahindra & Mahindra Financial Services	CSR thrust areas • Contributions or funds provided to technology incubators located within academic institution which are approved by the central government	Link of CSR Policy given in the annual report | 2015–16

- Reporting of CSR spending in Board of Directors' report in the format prescribed under the CSR regulations (refer Table 3, Section 3.5)
- Reporting of the CSR policy on the companies' websites, including the intention of contributing to an incubator and/or the areas specified in Schedule VII that the company intends to address. A broader goal/vision may be included, but this is not mandatory according to the CSR regulations
- Reporting of reasons for not spending the CSR amount in the Board of Directors' report, if the company fails to spend the mandated amount of CSR expenditure.

3.5 Corporates supporting incubators under the CSR mandate

Some of the examples of corporates who are making contributions to existing incubators and have accounted such contributions towards their mandatory CSR spend in their annual reports are as follows:

Table 3: CSR contribution in TBI by corporates in the format prescribed under the CSR regulations

S. No.	Organisation	CSR project or activity identified	Year	Implementing agencies	Project sector as per Schedule VII	Project location	Amount outlay/ approved (in INR Lakh)	Amount spent directly/ overheads (in INR lakh)	Cumulative expenditure till the reporting period (in INR lakh)
1.	Bajaj Electricals Limited	Solar Energy Marketing Incubation Project	2015–16	CIIE Villgro Innovations Foundation	Ensuring environment sustainability and promoting its education	Assam (Northeast)	25	25	25
2.	Mahindra & Mahindra Financial Services	Supporting social enterprises working to address problems in rural India	2015–16	CIIE Villgro Innovations Foundation	Contributions or funds provided to technology incubators located within academic institutions, approved by the central government	Chennai (Tamil Nadu) and Ahmedabad (Gujarat)	100	100	100
3.	Pfizer India Limited	Pfizer IIT Delhi Innovation & IP Programme	2015–16	Foundation for Innovation & Technology Transfer (FITT)	Supporting technology incubator within academic institutions	Indian Institute of Technology, Delhi (IIT-D)	461	460.87	460.87
4.	Mahindra & Mahindra Financial Services	Supporting social enterprises working to address problems in rural India	2014–15	Villgro Innovations Foundation CIIE	Contributions or funds provided to technology incubators located within academic institutions, approved by the central government	Chennai and Ahmedabad	48	48	48

Source: Annual reports of respective companies for the FY15 and FY16

3.6 Impact assessment

Corporate perspective

It is practically challenging to identify impact of individual contributions received by a TBI from different corporates, since the funds received are pooled together by TBIs while spending. However, if a corporate is restricting or specifying the utilisation of its CSR amount for a particular activity, then it may be possible to assess the outcomes of its contribution.

According to the CSR regulations, corporates are mandatorily required to disclose contributions made in their annual reports (as mentioned in Section 3.4), regulations do not require companies to undertake the impact assessment exercise of contributions made.

TBI perspective[21]

The diversity and complexity of the incubator ecosystem may pose challenges in developing a framework for impact assessment of business incubation environment, both in terms of indicators used (qualitative indicators are required in addition to quantitative indicators) and methodology (who should collect the data and how).

Some of the possible indicators that could be considered for impact assessment by a TBI are as follows:

- The number and profile of start-ups created and graduated
- The survival rate of start-ups
- Jobs generated after a certain gestation period[22]
- Increase in the net worth and sales of start-ups in five–seven years
- Profits generated by start-ups (after five years)
- Technologies commercialised.

However, the methodology for the attribution of impact to support TBIs, and even to the respective contributions from different corporates, would be a challenging proposition.

3.7 Tax implications

The taxability of income in India is governed by the provisions of the Income Tax Act, 1961.

As per the provisions of the Act[23], a TBI registered as a Section 8 company/society/public charitable trust can apply for obtaining tax exempt status with the income tax authorities. Once the tax exempt status is obtained, its income shall not be taxable subject to fulfilment of the following conditions[24]:

- Eighty-five per cent of income received in a financial year to be applied for charitable purpose in the same year
- All charitable activities are conducted in India
- The books of accounts are audited, and the prescribed certificate from a chartered accountant is obtained.

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[21] *Report released by Department of Science and Technology*

[22] *5 years recommended by Department of Science and Technology*

[23] *Section 12A and 80G of the Income Tax Act, 1961*

[24] *Section 11 and 12A of the Income Tax Act, 1961 read with Rule 17B of the Income Tax Rules, 1962*

Corporate perspective

Any contribution made by a corporate to an entity registered with the income tax authorities[25] shall be eligible for 50 per cent deduction from the taxable income of the corporate, irrespective of the fact whether the contribution has been made for CSR or non-CSR spend. Accordingly, 50 per cent of contribution made by a corporate to a TBI registered with income tax authorities shall be allowed as deduction from the taxable income of the corporate.

3.8 TBI accepting FCRA funds

According to the CSR regulations[26], a foreign company having branch office/project office in India, fulfilling the CSR applicability criteria[27], is also required to comply with the regulations.

As per the provisions of the Foreign Contribution (Regulation) Act, 2010 (FCRA), a TBI registered as a Section 8 company/society/public charitable trust is required to obtain prior approval of the Ministry of Home Affairs (MHA), before accepting any contribution[29] from a foreign company having a branch office in India[30]. However, no prior approval of the MHA is required in case funds are received by the TBI from an Indian incorporated company which has foreign shareholding.

[25] Section 12A and 80G of Income Tax Act, 1961
[26] Rule 3(1) of Companies (CSR) Rules, 2014
[27] Section 135(1) of the Act
[28] Section 11 of FCRA
[29] Section 2(1)(h) of FCRA
[30] Section 2(1)(j) of FCRA

Fostering start-ups — Opportunities for corporates

Corporates are increasingly becoming aware of the potential that start-ups have and the contribution they can make to the economy as well as in the development of the nation. Hence, many corporates are showing interest in nurturing start-ups by channelling their CSR funds through incubators. Companies are adopting different models for spending the CSR amount and are supporting start-ups that may or may not be aligned with their business goals/areas. For example, Bajaj Electricals is directing its CSR funds through CIIE to support start-ups that are aligned to its business focus area, i.e., Onergy Solar. On the other hand, corporates like Mahindra Finance and Marico have opted to direct their CSR funds to areas, which are completely unrelated to their businesses. For example, Mahindra Finance has invested in SustainEarth (providing bio-gas solutions to rural areas).

Various purposes for which CSR funds can be granted by corporates to incubators are illustrated in the diagram below. The purpose of funds is typically agreed between the corporate and incubator before disbursement.

Figure 5: Modes of use of CSR funds

4. Model 2 — Setting up a Start-up Supporting Entity (SSE)

4.1 About the model

Contribution provided by a corporate to a not-for-profit entity registered as a Section 8 Company or as a society or trust (collectively known as Start-up Supporting Entity) shall qualify under the CSR regulations.

4.1.1 Introduction to start-up supporting entity

As per the CSR regulations[31], corporates can undertake CSR activities either on their own or through specified implementing agencies. The latter option was introduced to provide flexibility to companies who do not possess the necessary capability and expertise to implement CSR projects or choose not to engage in this activity directly.

In the SSE model, companies provide contributions/funds to a not-for-profit entity, which includes entities registered as Section 8 company/society/trust or other specified government bodies. However, providing funding to a not-for-profit entity would not suffice as compliance under this option. The CSR regulations require such companies to formulate CSR projects, in accordance with the thematic areas mentioned in the Schedule VII of the Companies Act, and identify geographical areas where the project could be implemented. While the actual implementation of the project could be undertaken by the not-for-profit entity, companies would be responsible for monitoring them.

It is important to note that in case a corporate is executing projects through unrelated not-for-profit entity (i.e., not-for-profit entity not established by that corporate), then the not-for-profit entity can only work with that corporate (to comply with the CSR regulations), provided that the not-for-profit entity has an established track record of three years of undertaking similar projects in the past. However, if the not-for-profit entity has been established by the corporate, then the requirement of having a past track record is not applicable.

How do corporates establish not-for-profit entity?

- Section 8 Company — company holds more than 50 per cent share
- Society — corporate is one of the seven founding members
- Trust — company is the settlor in the trust

Model mechanics — SSE

In this model, corporates can conceptualise a project in areas outlined in Schedule VII, such as eradicating hunger and poverty, healthcare, sanitation and education (for the complete list, refer Figure 2 in the introduction section). The project would then be taken to the not-for-profit entity, which would act like an SSE and run the project by providing support to start-ups working to create an impact in line with the chosen thematic area of the project. The project should involve a specific objective (such as improving learning outcomes in government schools) with the start-up undertaking activities to create an impact in the selected objective, which can be tracked through a specific monitoring plan.

[31] *Rule 4(2) of the Companies (CSR) Rules, 2014*

Similar to the incubator model, the SSE model can also provide grants, infrastructure and mentorship services. An SSE can also make debt and equity investments similar to an incubator. However, if the SSE has obtained tax exempt status as defined in the Paragraph 3.5 above, then the debt and equity investments made would be taxable and may pose a threat to its tax exempt status in the long run.

Figure 6: Diagrammatic representation of the model

The concept of CSR is to provide benefit to underprivileged/vulnerable sections of the society. Accordingly, it is important that CSR funds benefit the social or environmental purpose rather than start-ups themselves. In order to ensure this aspect, an SSE should only support start-ups that do not have only a profit-making objective, although for-profit entities can be supported. The CSR regulatory framework under The Companies Act, 2013 does not have any restrictions on the transfer of funds or support to for-profit entities i.e. start-ups, by the implementation agency i.e. SSE. Support can be provided in the form of infrastructure, access to funds, legal services, etc. However, incubators supporting start-ups using CSR funds normally restrict their funding to exclude start-ups which are self-sustaining and scaling up their operations. Incubators consulted during the study stated that funding to start-ups which were scaling up their operations was not done through CSR funds provided to the incubator and could be done independently by the corporate directly to the start-up without involvement of the incubator.

As explained above, under this model the not-for-profit entity should have a minimum of three years of experience in undertaking similar projects in the specific focus area, preferably including supporting start-ups, as mentioned in the Schedule VII of the Companies Act, to satisfy compliance with the CSR regulations. However, it is not mandatory for an SSE to have undertaken start-up support in the past, provided that the SSE has worked with various types of projects in the Schedule VII activity to ensure sufficient diversity in projects to demonstrate similar project experience.

Some important components that would need to be identified to create a CSR project are as follows:

- Need for a project in the target beneficiary group
- Activities to be undertaken in the project
- Expected output/outcome/impact
- Monitoring and evaluation methodology for the project.

Companies would be required to establish a monitoring and reporting framework in addition to providing funds to the not-for-profit entity. Mere contribution of funds/donation to the SSE without having a CSR project, and monitoring and reporting framework in place would not be in compliance with the CSR regulations.

Further, the thematic area of the CSR project, conceptualised by the corporate and executed by the SSE, is expected to be in the list of permitted activities specified under the Schedule VII of the act. Any change in the focus areas of the CSR project, opted by the corporate, would not change the legal structure of the SSE unless the new focus area is not in alignment with the overall objectives of the SSE laid down at the time of its incorporation/registration.

To summarise the model, the concept of SSE would need to be conceptualised in project/programme mode by the company, where:

a) The project would be to create social/environmental impact by channelising CSR fund through SSE, and to support start-ups having the potential to create impact in different thematic areas

b) Thematic areas to be restricted to activities mentioned in the Schedule VII

c) Not-for-profit entity would act like an entity supporting start-ups

d) Start-ups should only act as social enterprises i.e., start-ups should not be self-sustaining and profitable till the time they are supported by the SSE

e) Beneficiary should be the final recipient of products/services provided by the start-ups supported by the accelerator.

Additionally, reporting requirements for an SSE would be focussed on impact created on the final recipient/beneficiary for the project and not on the support provided to the start-up.

In order to qualify under the CSR regulations, companies could make contributions either to an existing SSE model working on the selected thematic area or to an SSE established by the corporate itself, rather than a new SSE established by another entity since, any such entity receiving CSR funds would require to have an established track record of three years in undertaking similar projects/programs in the past. A new SSE that has been set up by another entity would not be able to meet the desired requirements. In such cases, contribution made by corporates to a new SSE would not qualify towards their mandatory CSR spend.

4.2 Legal structure of an SSE

As explained above, a not-for-profit entity/SSE can assume following forms to qualify under the CSR regulations:

4.2.1 Section 8 Company

A Section 8 Company is a company with limited liability[32] that:

- is incorporated for the promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other objective;
- intends to apply its profits, if any, or other income in promoting its objectives; and
- intends to prohibit payment of any dividend to its members.

A Section 8 Company can be incorporated only upon obtaining a licence from the central government and registration with the Registrar of Companies[33].

[32] *Section 8(1) of the Act*

[33] *Section 8(1) of the Act read with section 7 of the Act*

The charter documents of the Section 8 Company consist of the Memorandum of Association (MOA) and Articles of Association (AOA)[34]. However, no changes can be made to the MOA or AOA without prior approval from the central government[35].

4.2.2 Society

A society is defined as an association of persons (members) united together by mutual consent to deliberate and act jointly for some common purpose.

A group of seven or more persons are entitled to register an organisation as a society with an object of literary, scientific or charitable purpose[36].

Registered societies are governed by the Societies Registration Act, 1860. In addition, several states in India have also framed their respective Acts and Rules that shall also be applicable. A society is required to be registered by the Registrar of Societies[37]. Once registered, it is treated as a separate legal entity distinct from its members.[38]

The charter documents of a society consists of Memorandum of Association as well as rules and regulations[39] which lay down the objectives for which the society is incorporated and the manner in which it shall function.

4.2.3 Trust

A trust is an obligation, arising out of confidence, placed by one person on another for the benefit of a third-party. The person who initiates the trust is known as the 'author/settlor', while the person who manages it is known as the 'trustee'. The third person for whose benefit the trust is established is known as the 'beneficiary'[40].

A trust can be created for any lawful purpose unless[41]:

- the purpose of creation is forbidden by law or defeats the creation of any law; or
- it is created with a fraudulent motive; or
- the creation results in injury to any person or property of any person; or
- the purpose is regarded as immoral or opposed to public policy by courts.

A trust can be of two types:

- Private trust — created for the benefit of particular individuals
- Public trust — created for the benefit of any society or community at large.

As per the existing regulatory framework, a private trust is governed by the provisions of Indian Trust Act, 1882, whereas a public trust is governed by the relevant state laws/ regulations. In the absence of specific state regulations, the principles of the Indian Trust Act, 1882, may be applied on a public trust.

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[34] *Section 7(1) of the Act*
[35] *Section 8(4) of the Act*
[36] *Section 1 of Societies Registration Act, 1860*
[37] *Section 3 of Societies Registration Act, 1860*
[38]
[39] *Section 2 of Societies Registration Act, 1860*
[40] *Section 3 of the Indian Trust Act, 1882*
[41] *Section 4 of the Indian Trust Act, 1882*

A trust is declared or formed through a trust deed, which states the purpose for which it is created and the manner in which it shall be operated.

Any contribution made by corporates to a trust would qualify as CSR spend only if the contribution is made to a public charitable trust and not a private trust.

4.2.4 Entity options — Advantages and limitations

Advantages

Section 8 Company	Society	Public charitable trust
• Separate legal status • Liability of directors/ members limited • Most transparent and accountable option	• Separate legal status • Simple procedure to set up • Easy to close — a defined process • Simple process for amendment in objectives	• Easy to set up (provided adequate documentation is available) • Minimal statutory compliances and cost to set up • Control within closed group

Limitations

Section 8 Company	Society	Public charitable trust
• Extensive statutory compliances • Alteration in objectives require prior government approval • Takes time to set up in comparison to that of other options • Time consuming closure process	• Loose regulatory framework in the absence of state legislation • Vulnerable to takeovers — decision-making through majority members • Requires at least seven persons to set up	• No separate legal status • In case of disputes, trustees can be legally sued • Lowest transparency vis-à-vis other entity options • Objectives can be modified only by the settlor • Closure process/ mechanism not convention-driven

4.2.5 Entity options — Comparative analysis

Parameters	Section 8 Company	Society	Public charitable trust
Governing statute	Companies Act, 2013 (Central law; no state specific legislation)	The Societies Registration Act, 1860, and state-specific laws	State-specific laws with reference from the Indian Trust Act, 1882
Legal status	Separate legal status	Separate legal status	No separate legal status
Governing structure	Two-tier structure; shareholders and board of directors	Two-tier structure; general body and governing body	Single tier structure; trustees have the ultimate authority
Minimum number of members/ trustees	Two/three (dependent upon state regulations)	Seven	Two
Jurisdiction	The Registrar of Companies	The Registrar of Societies	Deputy Registrar or Charity Commissioner
Ease of formation	Relatively time consuming and complex, 8–12 weeks	Relatively simple, five–eight weeks	Simplest, two–three weeks
Basic document	Memorandum of Association and Articles of Association	Memorandum of Association and bye-laws	Trust deed
Income tax provisions and exemption	All three entity options are tax neutral and exemption is available under all three entity options subject to approval and satisfaction of the prescribed conditions		
FCRA requirement	Applicable to all three entity options		

4.3 Reporting requirements for an SSE

The CSR regulations do not specify any mandatory reporting framework/documentation to be followed by an SSE. As a matter of prudence and good practice, SSEs can issue documents to corporates, specified under Model 1 of the handbook[42], to enable them to develop a monitoring and reporting framework for their CSR projects.

4.4 Reporting requirements for corporates

Reporting requirements for corporates making contribution to SSEs are same as specified under Model 1 of the handbook[43]. However, the focus of reporting would be on the final beneficiary in targeted geographical area rather than the start-up itself.

Every corporate would be required by CSR regulations to report thematic area and quantum of spend covering details such as the name of the SSE, geographic spread of project, and direct and

[42] *Para 3.3 of handbook*

[43] *Para 3.4 of handbook*

overhead expenditure incurred for its contribution in the format prescribed under the regulations (Refer Table 2). In case several corporates are pooling funds to achieve a certain objective, every corporate would be individually required to report the above details in their respective annual reports in the prescribed format.

Format of reporting CSR amount spent under SSE Model as per CSR Regulations:

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (Specify the state and district where projects or programmes were undertaken)	Amount outlay (budget), project- or programme-wise	Amount spent on the projects and programmes 1. Direct expenditure on projects/ programmes 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: direct or through implementing agency

The corporate may cover the details of project achievements and impacts, however, this is not mandated by the CSR regulations.

4.5 Impact assessment

When CSR funds are provided to an SSE for the implementation of a programme in a project mode, then cumulative impact created by the project, executed by the SSE, could possibly be traced and attributed proportionately to the share of contribution received from each corporate. This methodology of attribution would need to be predetermined by the SSE in consultation with corporates contributing to its fund. Following could be the possible options of parameters to be used for impact monitoring and evaluation:

- Measures of activity such as the number of beneficiaries (defined in the project) reached by the selected start-up
- Usage of the product/services created by the selected start-up
- Collateral knowledge/IP creation to benefit future social impact projects
- Creation of model incubation programmes for creating products/services for the end beneficiaries
- Milestones (as defined in the project) achieved by the start-ups for creating products/ services to solve developmental challenges
- Post-graduation from the incubator, identifying some key metrics to measure the impact of start-ups on society/environment would help corporates capture the long-term impacts as well.

4.6 Tax implications

Tax implications with respect to an SSE and corporates under this model are same as specified under the Model 1 of the handbook[44].

4.7 SSE accepting the FCRA funds

The regulations with respect to an SSE accepting FCRA funds are same as specified under the Model 1 of the handbook[45].

[44] *Para 3.7 of handbook*

[45] *Para 3.8 of handbook*

5. Comparison between the TBI model and SSE model

The table below illustrates the comparison between the characteristics of both the models.

Table 4: Comparison between the characteristics of TBI and SSE

S.No.	Particulars	Model 1: TBI	Model 2: SSE
1.	Implementation in project mode	Voluntary; mere contribution qualifies under the CSR regulations	Compulsory
2.	Ease of reporting	Relatively straight forward	Comparatively more complicated, as reporting requirements need to be customised to project impacts
3.	Accountability/ degree of control	Lower	Higher
4.	Option of choosing activities	Equally flexible	
5.	Impact assessment	Focus on incubator and start-ups	Focus on project beneficiaries
6.	Possibility of impact assessment	Difficult	Possible
7.	Location of serving	Across India	

These are presented from the perspective of the corporate contributing to TBIs or SSEs. This provides practical advantages and disadvantages for the corporates to decide the most suitable model for their requirements.

6. Practical insights on funding incubators and SSEs

In a recent report released by the DST[46], the following experiences were shared by the authority on its two-decade long association with incubators in the country:

- Incubators are more successful if there is a beneficial regional industrial and business climate
- For the incubator's success, host institution commitment is vital
- Dynamic and competent incubation manager is very essential
- Strong R&D base and a system for commercialisation in the host institution is necessary for timely success
- Host institution's ability to network both for knowledge and resources helps.

These experiences are reflective of the typical challenges in the incubator landscape, largely focussed around TBIs.

Some of the insights compiled by several agencies on key factors for success of TBIs and SSEs are as follows[47]:

- Creating awareness about the SSE market amongst investors, impact enterprises and key stakeholders
- Developing localised or sector-specific model ensures improved effectiveness
- Building a strong ecosystem of support around the enterprise — including mentors, investors and sector stakeholders
- Fostering collaboration amongst impact enterprises, which allows them to share best practices from their on-the-ground perspective.

These insights about the SSEs can be used by proposed SSEs funded by CSR funds from corporates in India to improve the social impact they can create along with ensure effective support to start-ups they incubate.

[46] *Report released by Department of Science and Technology | Available at: http://www.nstedb.com/Developing-Eco.pdf | Chapter-7, p. 35*

[47] *Accelerating Impact, February 2015 funded by The Rockefeller Foundation https://assets.rockefellerfoundation.org/app/uploads/20150201214323/Accelerating-Impact.pdf*

7. CSR funds and incubation

While the number of start-ups in India is on the rise, they often find it challenging to get off the ground. The start-up ecosystem lacks funding support and large scale collaboration platforms, although this is slowly changing. Hence, providing access to capital and other necessary facilities as well as support services is critical for their long-term survival.

Although incubators are mostly able to put in place requisite technical expertise required to support start-ups, they often fall short of capital inflows. Corporates in India can play a vital role at this stage and support incubation platforms in the country. By providing CSR funds, corporates can assist TBIs/SSEs in creating a supportive ecosystem for start-ups to survive and solve economic, social and environmental challenges.

Lack of support for social impact enterprises and start-ups can be solved through the proposed use of CSR funds. The use of CSR funds would also assist incubators in providing early stage funding, building workspaces, employing desired mentors, and setting up research and development centres for fostering start-ups.

The knowledge generated by these incubators is also invaluable to providing guidance for start-ups. Supporting start-ups and incubators would contribute to generating a culture of innovation and creating new opportunities for corporates to provide goods and services. Further, the support of social impact start-ups can rapidly scale up the developmental impact created by corporates, having a multiplier effect.

Intensive market research done by start-ups could help corporates access new potential markets and business-specific knowledge. It can also help corporates promptly respond to the changing demands of the potential market to remain competitive in a constantly changing economy. Moreover, engaging with start-ups would inspire innovation within corporates, which is imperative for business growth. Leading business thinkers have suggested 'Companies would die if they do not innovate'[48]. Many corporates are realising the need to engage with start-ups to get exposure to advance technologies and methodologies, enabling them to solve problems, building minimum viable products, etc.

Collaborating with start-ups can help bring insights about industrial trends, which would help corporates increase their reach in the business ecosystem. Furthermore, collaborating with start-ups would further help corporates to partner with other relevant companies and stakeholders. Thus, the benefits of associating with start-ups is more than just generating financial returns since start-ups are seen to be more innovative than internal R&D undertaken by leading corporates.

Thus, the contribution of CSR funds from corporates would be beneficial to both corporates as well as the start-up/incubator ecosystem, resulting in the development of the economic climate in the country.

[48] *Forbes Article | Corporate Accelerator: What's in it for big companies? | 2016*

- Ease of contributing money to an ongoing or new incubation programme
- Promote innovation and economic growth, creating new opportunities for corporate solutions and products
- Creates long-term sustainable impact and scale up the social impact created by CSR funds
- Opportunity to build knowledge and network of innovative partners

Annexure 1

List of DST approved incubators

S. No.	Incubator
1.	Association for Innovation Development of Entrepreneurship in Agriculture (A-IDEA), Hyderabad
2.	IKP Knowledge Park-Life Science Incubator, Hyderabad
3.	Agri Business Incubator, Patancheru
4.	Technology Business Incubator-UOH, University of Hyderabad
5.	International Institute of Information Technology (IIIT-H) Gachibowli, Hyderabad,
6.	Birla Institute of Technology and Science, BITS-Pilani, Hyderabad Campus
7.	Technology based Incubator Society (TBIS), University of Delhi, South Campus
8.	Shriram Institute for Industrial Research, (A Unit of Shriram Scientific and Industrial Research Foundation), New Delhi
9.	IAN Mentoring and Incubation Services, New Delhi
10.	National Design Business Incubator (NDBI), National Institute of Design (NID), Ahmedabad
11.	CIIE Initiatives Centre for Innovation Incubation and Entrepreneurship (CIIE) Indian Institute of Management, Ahmedabad
12.	Mudra Institute of Communications Ahmedabad, Ahmedabad
13.	Startup Village (Indian Telecom Innovation Hub), Kerela
14.	Technopark TBI Technopark Campus, Trivandrum

S. No.	Incubator
15.	Centre for Incubation and Business Acceleration (CIBA) Agnel Technical Education Complex, Goa
16.	Centre for Incubation and Business Acceleration Campus of Agnel Institute of Technology and Design, Goa
17.	SINED (TBI) NDRI Campus, Karnal
18.	Society for Innovation and Entrepreneurship in Dairying National Dairy Research Institute, Karnal
19.	TBI- International Centre for Innovation, Technology Transfer and Entrepreneurship (IN-CITE), Bengaluru
20.	Composites Technology Park 205, Bande Mutt, Kengeri Satellite Township, Bangalore
21.	E health-TBI PES School of Engineering, Bengaluru
22.	Director , MIT, Manipal Manipal University Technology Business Incubator Manipal Institute of Technology , Manipal
23.	Technovate Innovations, Bengaluru
24.	Global Incubation Services (GINSERV), Bengaluru
25.	National Design Business Incubator National Institute of Design, Bengaluru
26.	SCTIMST-TIMED, Trivandrum

S. No.	Incubator
27.	National Institute of Technology, Calicut
28.	Amrita TBI Amrita Vishwa Vidhyapeetham Amritapuri Campus, Kerela
29.	College of Engineering, Trivandrum
30.	Society for Innovation and Entrepreneurship(SINE) Indian Institute of Technology- Bombay, Mumbai
31.	Venture Center, National Chemical Laboratory, National Chemical Laboratory Campus, Pune
32.	KIIT - Technology Business Incubator KIIT University, Bhubaneswar
33.	Sathyabama University-Technology Business Incubator (SU-TBI) Sathyabama University, Chennai
34.	Nanotechnology Research, Innovation and Incubation Centre (NRIIC), PSG- Science & Technology Entrepreneurial Park, PSG College of Technology, Coimbatore
35.	IIT Madras Incubation Cell (IITM-IC), Chennai
36.	VIT-Technology Business Incubator, VIT University, Vellore
37.	University of Madras Dr. A L M PGIBMS, Taramani campus, Chennai
38.	BIT-TBI, Sathyamangalam, Sathyamangalam
39.	St. Peter's Engineering College, Chennai
40.	Agri-Business Development-TBI Tamil Nadu Agricultural University (TANU) Coimbatore
41.	Villgro Innovations Foundation III Floor, IITM Research Park, Chennai
42.	Amity Technology Incubator, Noida

S. No.	Incubator
43.	SIDBI Innovation and Incubation Centre (SIIC) Indian Institute of Technology Kanpur
44.	National Centre for Aerospace Innovation and Research (NCAIR) Indian Institute of Technology Bombay, Mumbai
45.	MITCON Biotechnology Business Incubation Centre (A division of MITCON Consultancy Services Limited), Pune
46.	D.K.T.E. Society's , Textile & Engineering Institute, Ichalkarnaj
47.	Birla Institute of Technology and Science (BITS), Pilani
48.	Coimbatore Innovation and Business Incubator (CIBI) Kumaraguru College of Technology, Coimbatore
49.	Technology Business Incubator, Tamilnadu
50.	Kongu Engineering College TBI@KEC, Perundurai
51.	Technology Business Incubator Centre for Biotechnology, Anna University, Chennai
52.	IITM's Rural Technology and Business Incubator (RTBI) IITM Research Park, Kanagam Road Tharamani, Chennai
53.	Periyar Technology Business Incubator Periyar Maniammai University, Periyar Nagar, Vallam
54.	Vel Tech –Technology Incubator VelTech Dr. RR & Dr. S. R. Technical University, Chennai
55.	Adhiyamaan College of Engineering, Dr. MGR Nagar, Hosur
56.	Information Technology Business Incubator(ITBI), JSSATE-STEP J.S.S. Academy of Technical Education, Noida

S.No.	Incubator
57.	TBI-Krishnapath Incubation Society, Krishna Institute of Engineering & Technology, Ghaziabad
58.	Malviya Centre for Innovation Incubation & Entrepreneurship Institute of Technology, Banaras Hindu University, Varanasi
59.	TBI-Graphic Era University Graphic Era University, Dehradun
60.	Bengal Engineering and Science University, Shibpur-TBI P.O. Botanic Garden, Howrah

S.No.	Incubator
61.	WBUT BF-142, Sector - I, Bidhannagar Kolkata
62.	IIM Calcutta Innovation Park (IIP) Indian Institute of Management Calcutta (IIM Calcutta), Kolkata
63.	Ekta Incubation Centre West Bengal University of Technology, Kolkata
64.	Technology Incubation and Entrepreneurship Society (TIETS) Indian Institute of Technology Kharagpur

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